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Los Angeles County Ends Legacy of Brown Water at Sativa

Audit Prompts Investigation of Previous Management

Just ten months after taking over the troubled Sativa Water District, Los Angeles County announced dramatic improvements have been made to the onceneglected water system, ensuring 6,800 customers in Willowbrook and Compton that they can reliably expect clean and clear water when they turn on their taps.

At the same time, the County released an audit that indicates hundreds of thousands of dollars – if not more – in potentially questionable spending by Sativa's previous management. The matter has been referred to law enforcement.

"When the County stepped in to operate Sativa after years of neglect by its previous management, we promised to create a transparent and accountable process to deliver clean and clear water to its customers," Supervisor Mark Ridley-Thomas said. "Today, we have made good on that commitment, and we intend to help ensure that the water system is sustainable in the long-term."

Supervisor Ridley-Thomas <u>spearheaded the unprecedented effort</u> to have Los Angeles County Public Works temporarily assume control of Sativa and stabilize its aging water system until a permanent administrator can be installed, a process that could take 18 to 24 months.

"This isn't just about clean water – this is about justice," added Board Chair Janice Hahn. "This community was forced to deal with dirty tap water in their homes for years. As we work to repair this water system and bring clean water to this community, we are also handing over the results of our audit to the proper authorities so anyone responsible for a crime can be held accountable."

Public Works used cutting-edge technology to thoroughly flush Sativa's water system, built new pipes to improve water circulation, and established connections to emergency water sources to ensure delivery of clean and clear water to customers.

With a deep cleaning project now completed, Public Works is preparing to transition Sativa to a permanent administrator, and has released a <u>solicitation for proposals</u>.

"Sativa was a water system in crisis when the County took it over in November 2018," said Public Works Director Mark Pestrella. "Working with the community, we invested considerable resources and technology into upgrading the system and providing Sativa customers with the safe, clean, reliable and sustainable water service they deserve."

"Work was done as promised, and there's no brown water," Sativa customer Elizabeth Hicks said. "LA County completed the work with integrity and stepped up. Our community is receiving improved water quality, and the customer service for all the residents has improved a lot. I am very proud of Public Works. They have the necessary resources to deliver for the communities of Willowbrook and Compton. There were too many conflicts and not enough resources before but, since Public Works stepped in, they changed everything."

Immediately after taking over as interim administrator, Public Works discovered Sativa's bank accounts had been emptied and that at least \$30,000 in bills had been unpaid. An independent auditor was brought on board to perform a financial audit of Sativa's financial statements for the fiscal year ending June 30, 2018.

The audit found that under Sativa's previous management:

- a \$1.6-million loan to finance the acquisition and construction of a well instead appeared to have been used for other purposes;
- expenditures exceeded revenues by approximately \$700,000;

- as much as \$385,000 in cash disbursement transactions could not be substantiated by supporting documents;
- an additional \$92,000 in debit card charges could not be substantiated by supporting documents; and
- an additional \$84,000 in cash disbursement transactions appear to be "non-legitimate" and "could possibly involve improper and/or unlawful actions."

While the audit was ongoing, Public Works began the <u>first phase</u> of sorely needed repairs, maintenance and upgrades to Sativa's infrastructure, which consists of two aging wells, one with high levels of manganese that gave the water supply a brown hue, and narrow pipes rife with sediment.

Over the summer, Public Works reestablished an emergency water connection with the City of Compton and created a temporary water connection to the neighboring water system operated by Liberty Utilities. Both will serve as alternate water sources for Sativa customers.

Public Works also employed a state-of-the-art filtration system to clean out the old pipes and added new pipes in strategic locations to improve water circulation.

Much of the work was done overnight to minimize service disruptions and limit potential brown water spikes that might be triggered by flushing. Sativa customers were provided with bottled water for drinking, cooking and hygiene in the event of service disruptions.

The next phases of the project include completely rebuilding Sativa's two aging wells and creating a treatment system to remove the manganese. Work is expected to be complete by the end of 2020.

Public Works regularly engaged Sativa customers to give them advance notice about infrastructure improvements, explain the process, and build trust. Public Works also sought their input about what the incoming permanent administrator should prioritize. The next <u>community meeting</u> is planned for September 14th at Sativa Headquarters.

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